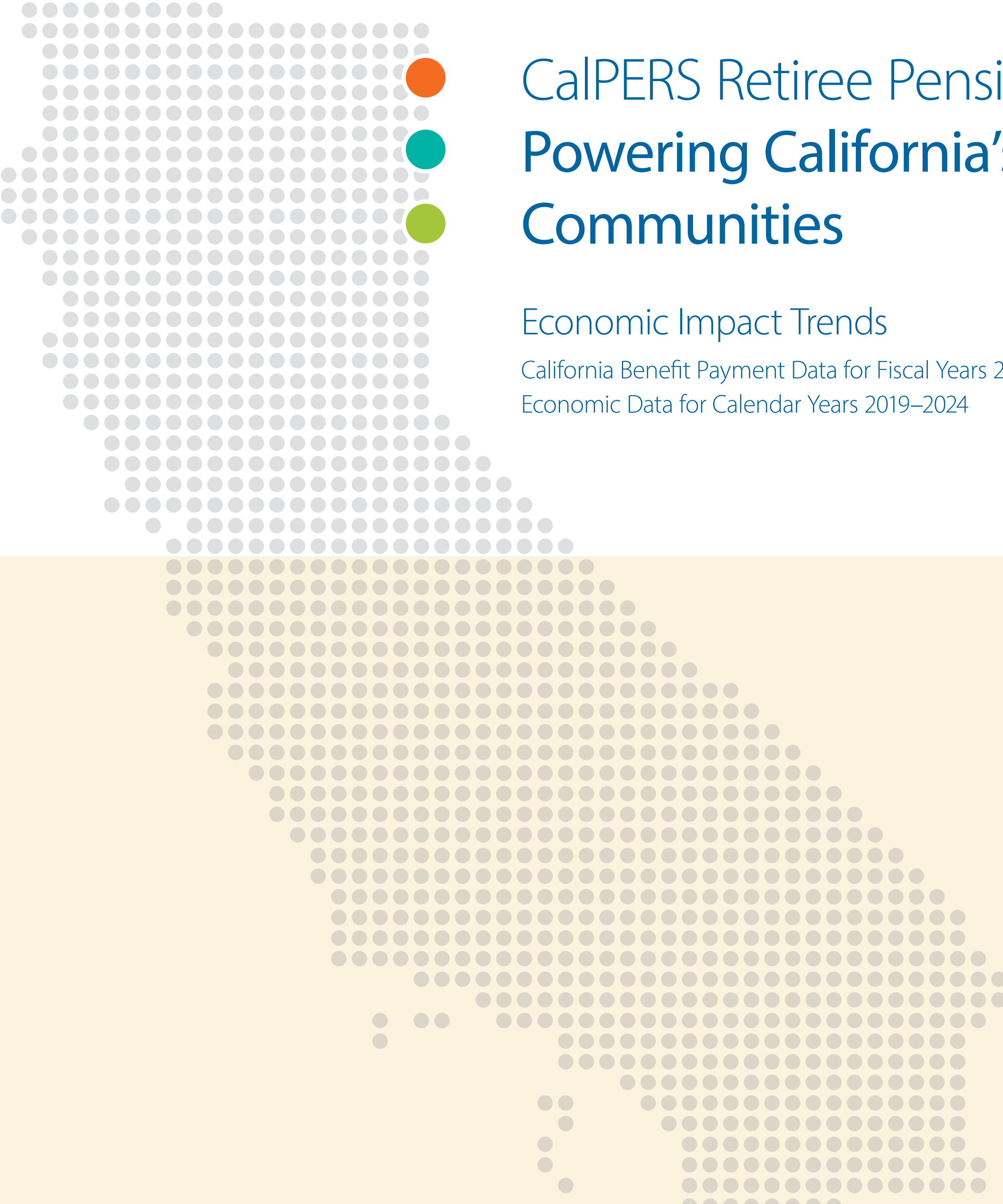


CalPERS Retiree Pensions: **Powering California's Communities**

Economic Impact Trends

California Benefit Payment Data for Fiscal Years 2019–25,
Economic Data for Calendar Years 2019–2024

This report analyzes the economic impact of CalPERS retiree and beneficiary pension payment spending using pension payment data from fiscal years 2019–2025 and economic data from calendar years 2019–2024. Because the Economic Impact report is published every two years, economic impact data for 2021 and 2023 is not available. Pension payment data for FY 2021–22 and FY 2023–24 exists but is not included in this analysis. Retiree refers to anyone receiving a regular recurring pension check from CalPERS (retirees, beneficiaries, and survivors).

CalPERS

How Retiree and Beneficiary Spending Strengthened California's Economy

Statewide Trends from 2019 to 2025

CalPERS retirees and beneficiaries contribute billions of dollars to California's economy every year. Their pension spending supports local businesses, sustains jobs, and generates tax revenue in every region of the state.

Between 2019 and 2024, retiree and beneficiary spending remained one of California's most stable and reliable sources of economic activity.

Even in 2020 to 2022, when the COVID pandemic disrupted the economy, pension dollars continued to flow through California's communities, supporting businesses and services when many other revenue sources faced uncertainty.

This report examines the immediate and long-term impact of spending by CalPERS retirees and beneficiaries across all of California's 58 counties.

$34.6 Billion Economic Impact | ↑23.3%

Economic impact from retiree and beneficiary spending reached a record high in 2024, growing 23.3% since 2019 and playing an increasingly significant role in California's economy.

158K Jobs | ↑6.6%

Jobs supported by retiree and beneficiary spending ranged from roughly 139,000 to 158,000 positions between 2019 and 2024. After a dip in the early 2020s, employment impacts rebounded, increasing 13.3% since 2022, and 6.6% since 2019.

$1.6 Billion Taxes | ↑32.7%

Economic activity generated by retiree and beneficiary spending produced $1.6 billion in state and local tax revenue in 2024, up 32.7% from $1.2 billion in 2019.

Impact on Rural and Urban Communities

Retiree and beneficiary spending plays **a vital role in small and rural communities**, where pension payments account for 3-7% of total local economic output.

Smaller counties often rely on retiree and beneficiary spending to fill gaps left by limited industry, with **pension spending serving as a consistent source of local commerce**.

Urban counties generate the largest total economic output from retirees and beneficiary spending, driven by larger retiree populations.

How CalPERS Pension Spending Supports California's Economy

Pension Benefit
Retirees and beneficiaries receive pension checks

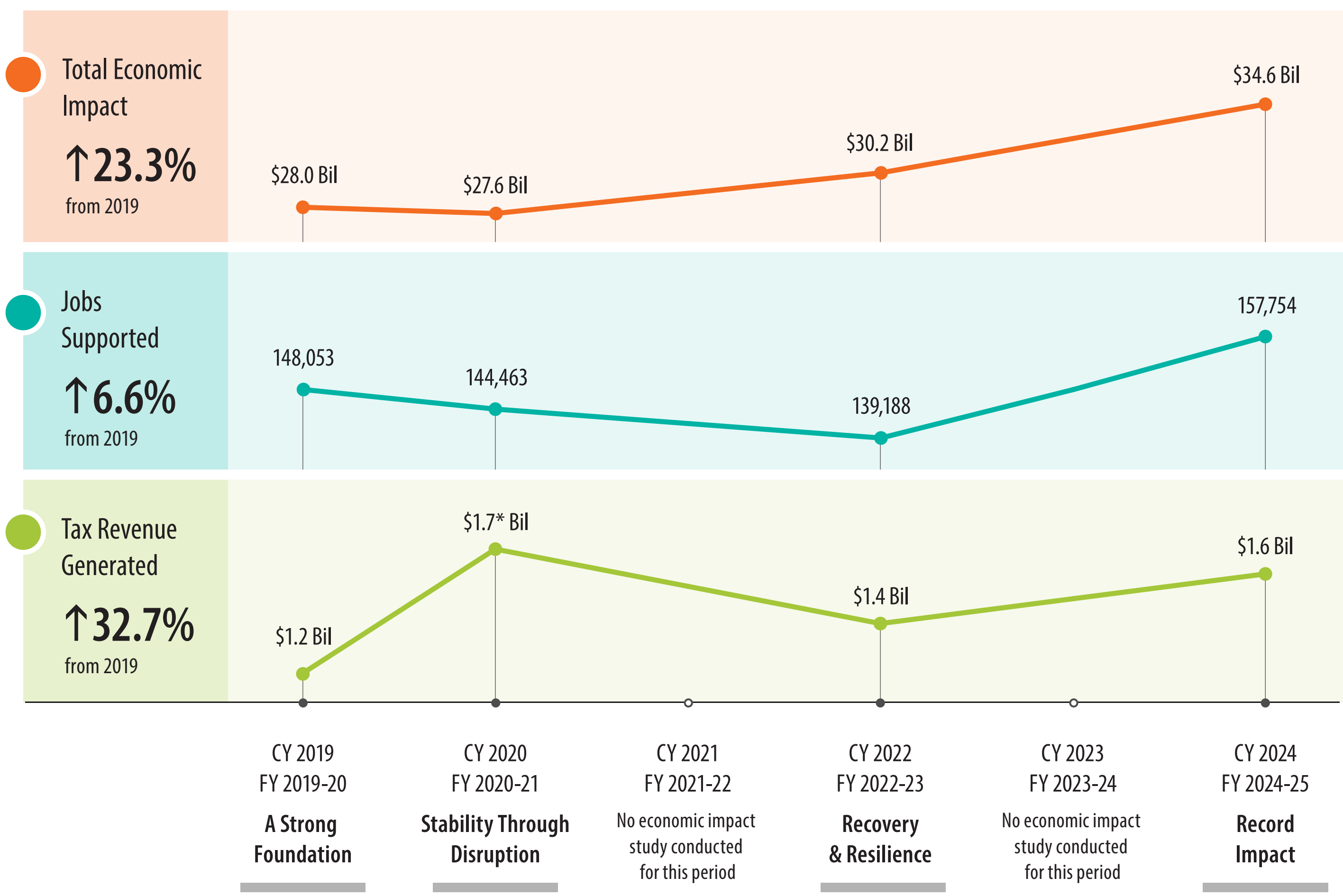
Direct Impact
Pension checks are spent to purchase local goods and services

Indirect Impact
Local businesses receive revenue, purchase supplies, and support jobs

Induced Impact
Employees spend income and pay taxes to further support local businesses and jobs

Impact of CalPERS Pensions on California's Economy

2019 through 2025



** $1.7 billion includes the use of the COVID-19 stimulus payments, which make the exact estimate difficult to calculate.*

2019 → A Strong Foundation Before a Disrupted Economy

Retiree and beneficiary spending established a strong economic foundation prior to the pandemic. Economic activity was consistent across all regions of California. This year serves as the pre-disruption benchmark for the CYs 2019–2024 economic trend.

Economic Impact:

- $28.0 billion total economic impact
- 148,053 jobs supported
- $1.2 billion state and local tax revenue

2020 → Stability During Unprecedented Disruption

Retiree and beneficiary spending remained stable during the onset of the pandemic, providing a consistent source of economic activity across California. Despite widespread economic contraction, pension spending continued to support essential household spending and local business activity. This stability helped sustain communities during a period of significant uncertainty.

Economic Impact:

- $27.6 billion total economic impact
- 144,463 jobs supported
- $1.7 billion state and local tax revenue

2022 → Recovery and Resilience

Retiree and beneficiary spending supported California's economic recovery as the state reopened and economic activity accelerated. Pension spending helped stabilize consumer demand, strengthen local business revenues, and prompt renewed hiring across key sectors, including healthcare, retail, accommodations, and food services.

Economic Impact:

- $30.2 billion total economic impact
- 139,188 jobs supported
- $1.4 billion state and local tax revenue

2024 → Record Economic Impact

Retiree and beneficiary spending reached its highest recorded economic impact. This year marks the peak of the CYs 2019–2024 economic trend in total economic contribution.

Economic Impact:

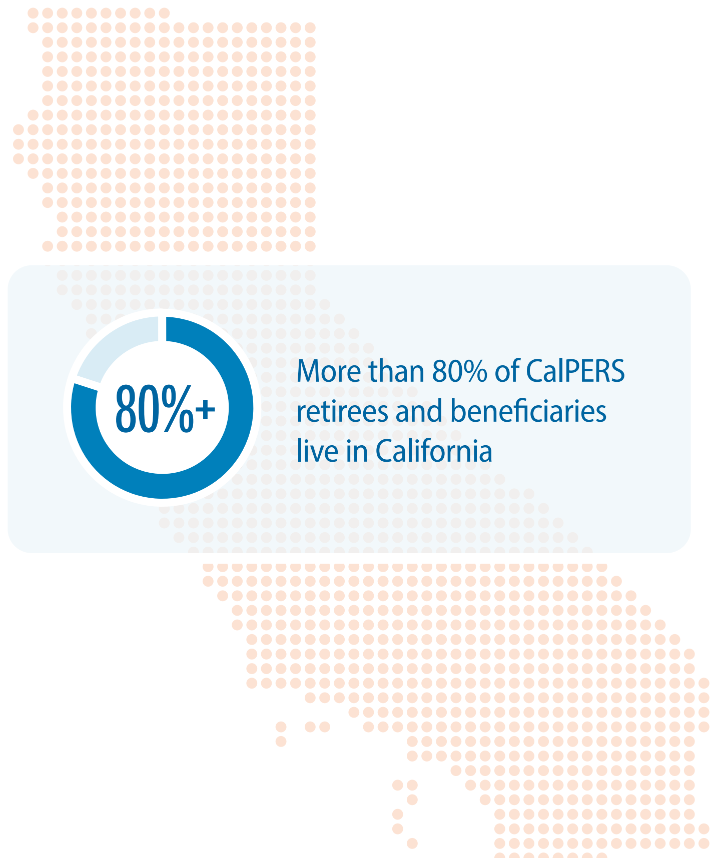
- $34.6 billion total economic impact
- 157,754 jobs supported
- $1.6 billion state and local tax revenue

Where Retirees Live and Spend Across California

Why Retiree and Beneficiary Spending Patterns Matter

The economic impact of pension spending begins with where retirees and beneficiaries live. More than 683,000 CalPERS retirees and beneficiaries call California home and receive pension payments that are spent in local communities.

Because more than 80% of retirees and beneficiaries remain in California each year, most pension payments continue circulating through statewide local economies and sustaining economic activity in each region.



Key Patterns in Retiree and Beneficiary Spending (FYs 2019–25)

- The number of CalPERS retirees and beneficiaries remained steadily high, growing by about 11.1% from 615,145 to 683,176 between FY 2019–20 and FY 2024–25.
- More than four out of every five pension dollars remained in California, demonstrating the continued local impact of retiree and beneficiary spending.
- Annual pension payments to CalPERS members that reside in California increased from $21.3 billion to $27.8 billion, expanding the flow of retiree and beneficiary spending into local economies throughout the state.

Fiscal Year Comparison of Retiree Population and Pension Benefit Payments

Year*	FY 2019-20	FY 2020-21	FY 2022-23	FY 2024-25	% Change from FY 2019-20 to FY 2024-25
Number of retirees and beneficiaries :					
Total	732,529	750,618	789,016	825,399	+12.7%
California**	**615,145**	**625,391**	**641,804**	**683,176**	+11.1%
Total annual pension benefit payments:					
Total	$25.8B	$27.4B	$31.1B	$34.0B	+31.8%
California**	**$21.3B**	**$22.4B**	**$23.5B**	**$27.8B**	+13.2%

* *Doesn't include retirees, beneficiaries/survivors, or payments from the Judges' Retirement System, the Judges' Retirement System II, or the Legislators' Retirement System.*

** *The number of retirees, beneficiaries, and retirement payment data in the economic impact analysis will not align with the official retirement counts in the Annual Comprehensive Financial Report (ACFR), which is issued annually each December, because the economic impact analysis uses the CalPERS pension dataset based on recurring warrants as of June 30 each year and excludes one-time payments, while the ACFR includes one-time payments, lump sums, and refunds.*

Key Job Trends

How Retiree and Beneficiary Spending Supports Jobs Across California

CalPERS retiree and beneficiary spending supports employment across key California industries by sustaining consistent demand for healthcare, retail, accommodation, and food services. This stream of household spending helps stabilize business activity and maintains jobs across every region of the state, even during periods of broader economic volatility.

Nearly 158,000 jobs supported

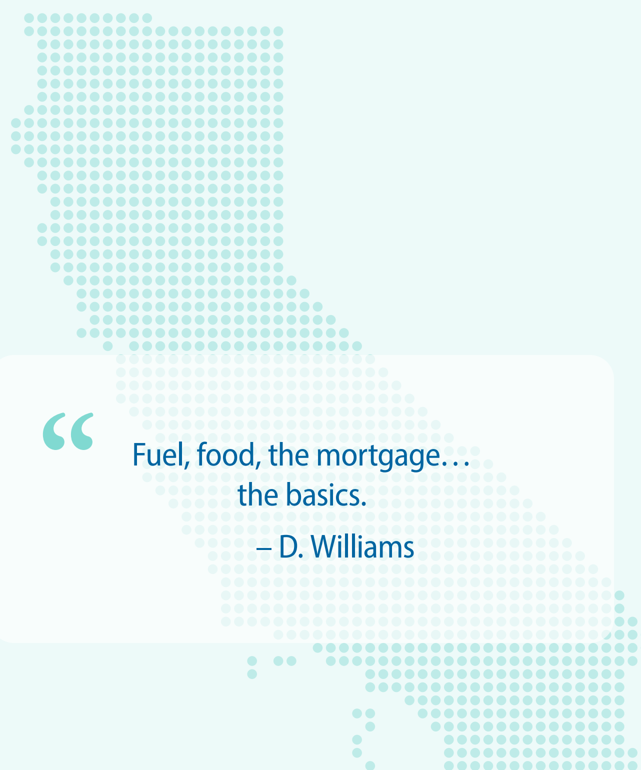
Overall job support remained stable, ranging from 139,000 to 158,000 jobs annually.

Jobs Supported by Sector[1] (CYs 2019–2024)

- **Healthcare & Social Services led job growth** (+36.5%), driven by steady demand for medical and support services, along with a shift toward more in-home care and less hospital use.
- **Accommodation & Food Services experienced the sharpest pandemic-era decline** (–12% from CYs 2019–2024) but has steadily recovered since 2022 (+8.4%).
- **Both Retail Trade and Transportation & Warehousing saw declines over time**, but only retail recovered after the pandemic. Transportation jobs continued to trend downward.
- **Professional, Scientific & Technical Services and Real Estate & Rental/Leasing both grew 7.3% from CYs 2019–2024,** reflecting stable long-term demand for business and property-related services.
- **Finance & Insurance increased 10.6% over the period,** with moderate growth since 2022 (+4.9%).

Real Members. Real Impact.

We asked CalPERS members where they think most of their pension dollars will go toward when they eventually retire.

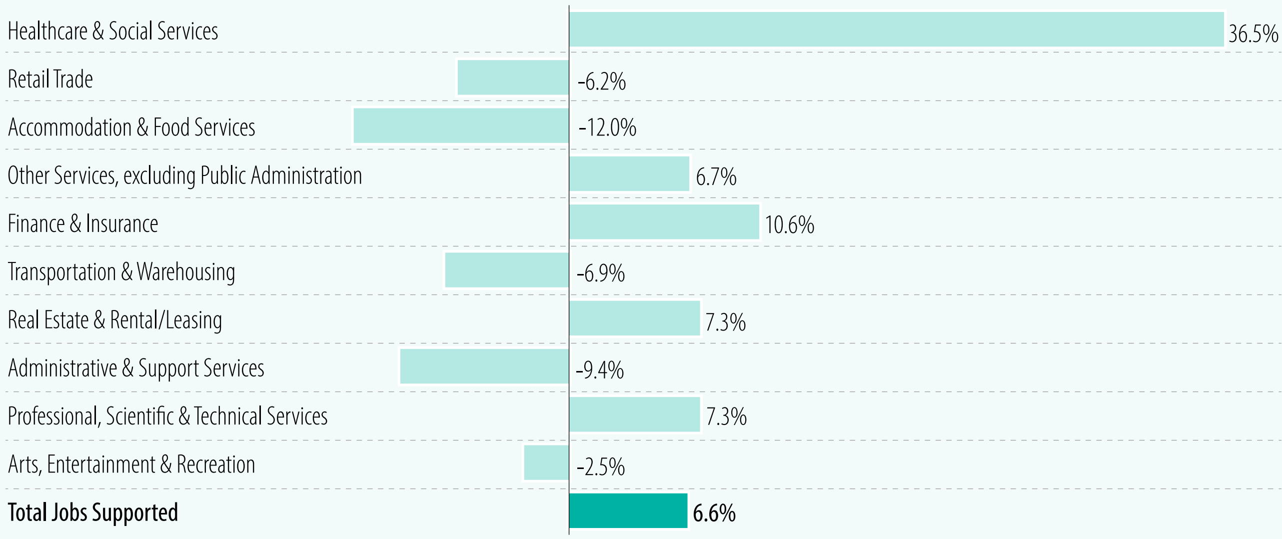


> "Most of us are going to stay local — I've lived here all my life.
>
> – M. Dunbar

> "Fuel, food, the mortgage… the basics.
>
> – D. Williams

Healthcare and Social Services Sectors Led Job Growth From CY 2019 to CY 2024

Top 10 Jobs Supported by Sector



Top 10 Jobs Supported by Sector

Sector	CY 2019	CY 2020	CY 2022	CY 2024	Post COVID Recovery % Change from CY 2022 to CY 2024	Multi-Year Trend % Change from CY 2019 to CY 2024
1. Healthcare & Social Services	26,361	28,368	27,434	35,990	**+31.2%**	**+36.5%**
2. Retail Trade	22,018	20,800	19,067	20,657	+8.3%	–6.2%
3. Accommodation & Food Services	21,586	16,446	17,515	18,985	+8.4%	–12.0%
4. Other Services (excl. Public Admin.)	15,667	16,104	15,621	16,718	+7.0%	+6.7%
5. Finance & Insurance	9,160	10,455	9,658	10,132	+4.9%	+10.6%
6. Transportation & Warehousing	8,352	8,689	8,151	7,779	–4.6%	–6.9%
7. Real Estate & Rental/Leasing	7,071	7,794	7,089	7,590	+7.1%	+7.3%
8. Administrative & Support Services	7,778	7,569	7,121	7,048	–1.0%	–9.4%
9. Professional, Scientific & Technical Services	5,861	5,946	5,518	6,288	+14.0%	+7.3%
10. Arts, Entertainment & Recreation	5,438	—*	4,353	5,302	+21.8%	–2.5%
Total Jobs Supported	**148,053**	**144,463**	**139,188**	**157,754**	**+13.3%**	**+6.6%**
Top 10 as % of Total	**87%**	**85%**	**87%**	**87%**	**–0.9%**	**–0.9%**

* *In 2020, Arts, Entertainment & Recreation was not in the top 10 jobs supported.*

Key Revenue Trends

Revenue Generated by Sector (CYs 2019–2024)

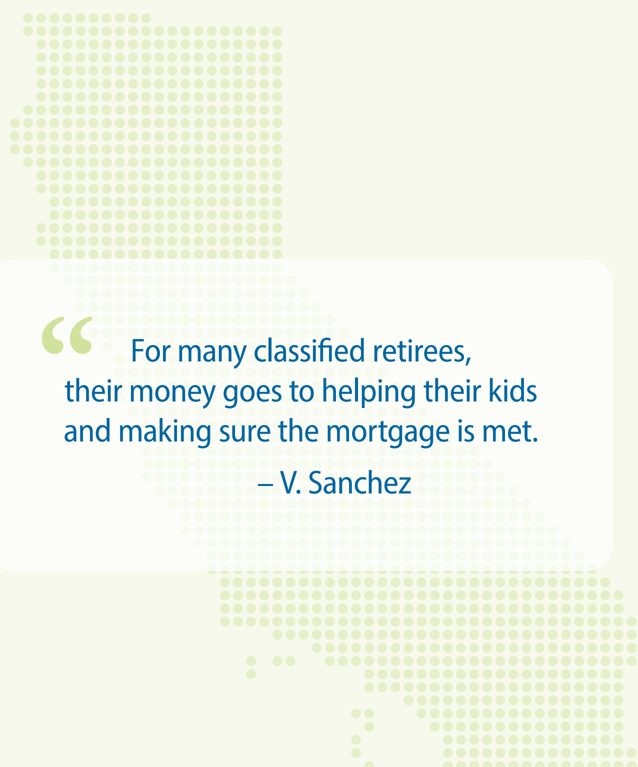
- **Real Estate & Rental/Leasing remained the largest revenue contributor,** rising from $5.83B in 2019 to $6.32B in 2024 (+8.4%), with strong growth since CY 2022 (+21.2%).
- **Healthcare & Social Services saw the fastest growth (+66.1%) of any major sector** rising 66.1% from CYs 2019–2024 and 37.2% since 2022, reflecting increased healthcare spending and social service demand.
- **Wholesale Trade grew (+38.2%)** from CYs 2019–2024, reflecting supply chain activity movement across the state.

The top 10 sectors consistently accounted for 84–86% of total economic impact, demonstrating a stable distribution of retiree and beneficiary-driven spending across key industries.

- **Professional Services showed steady expansion (+32.6%)** from CYs 2019–2024, reinforcing long-term business service demand.
- **Accommodation & Food Services rebounded strongly (+24%)** from CYs 2019–2024, recovering from early pandemic declines.

Real Members. Real Impact.

We asked CalPERS members where they think most of their pension dollars will go toward when they eventually retire.

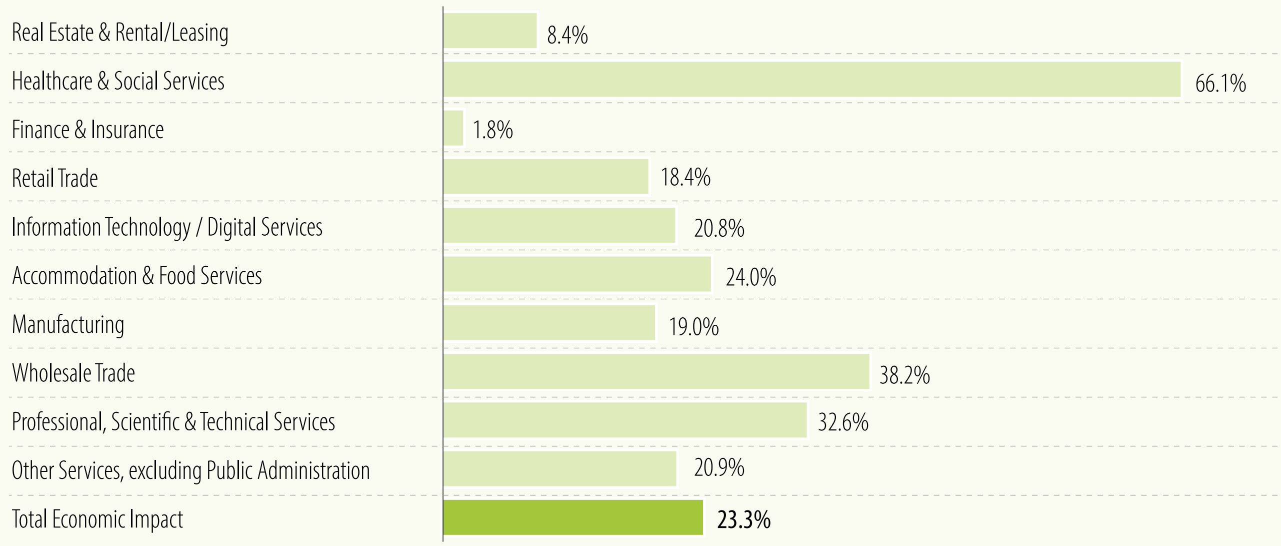


> “Probably housing, maybe utilities, and ice coffee — and fun discretionary things.
> – A. Watt

> “For many classified retirees, their money goes to helping their kids and making sure the mortgage is met.
> – V. Sanchez

Healthcare and Social Services Sectors Led Revenue Growth From CY 2019 to CY 2024

Top 10 Sectors by Revenue Growth



Top 10 Sectors by Revenue Growth

Sector	CY 2019	CY 2020	CY 2022	CY 2024	Post COVID Recovery % Change from CY 2022 to CY 2024	Multi-Year Trend % Change from CY 2019 to CY 2024
1. Real Estate & Rental/Leasing	$5.83B	$5.64B	$5.21B	$6.32B	**+21.3%**	**+8.4%**
2. Healthcare & Social Services	$3.14B	$3.54B	$3.81B	$5.22B	+37.0%	+66.1%
3. Finance & Insurance	$2.90B	$3.25B	$3.05B	$2.96B	–3.0%	+1.8%
4. Retail Trade	$2.44B	$2.48B	$2.86B	$2.89B	+1.0%	+18.4%
5. Information Technology/Digital Services	$1.95B	$2.02 B	$2.19B	$2.36B	+7.8%	+20.8%
6. Accommodation & Food Services	$1.77B	$1.37B	$1.91B	$2.20B	+15.2%	+24.0%
7. Manufacturing	$1.71B	$1.58B	$1.93B	$2.04B	+5.7%	+19.0%
8. Wholesale Trade	$1.44B	$1.49B	$1.79B	$2.00B	+11.7%	+38.2%
9. Professional, Scientific & Technical Services	$1.18B	$1.20B	$1.37B	$1.57B	+14.6%	+32.6%
10. Other Services (excl. Public Admin.)	$1.29B	$1.21B	$1.39B	$1.56B	+12.3%	+20.9%
Total Economic Impact	**$28.03B**	**$27.65B**	**$30.16B**	**$34.56B**	**+14.6%**	**+23.3%**
Top 10 as % of Total	**84%**	**86%**	**85%**	**84%**	**–0.4%**	**–0.3%**

Economic Impacts Across California Counties

How Retiree and Beneficiary Spending Supports Large Urban Communities

Every county in California feels the impact of CalPERS retirees, but not in the same way. Some counties see big boosts because they have large retiree and beneficiary populations. Others feel the impact more strongly on a per-person basis, where even a smaller number of retirees and beneficiaries makes a noticeable difference to local shops, services, and jobs.

County-Level Economic Impacts

- **Los Angeles remains the statewide leader across all metrics** receiving the highest pension payments of $3.36B (+30%), with the highest economic impact at $3.27B in CY 2024, and jobs supported the largest statewide, at 15,507 in CY 2024.
- **Sacramento consistently ranks second statewide** reflecting its concentration of public sector retirees (particularly from state service). Pension payments increased from $2.37B to $3.07B (+30%), economic impact rose from $2.69B to $2.87B (+7%), and 14,775 jobs were supported in CY 2024.
- **Orange, San Diego, and Riverside stand out as the next major centers of retiree-driven economic activity,** combining large retiree and beneficiary populations with pension payments growth of roughly 20–30% since FY 2019–20. Economic impact reached $1.54B–$2.06B in CY 2024, and jobs supported in 2024 ranged from about 8,200 to 10,000.
- **San Bernardino remains a major Inland Empire regional driver,** with pension payments increasing from $1.13B to $1.45B (+28%), the rise of the economic impact from $1.11B to $1.16B (+5%), and 6,359 jobs supported in CY 2024.

Real Members. Real Impact.

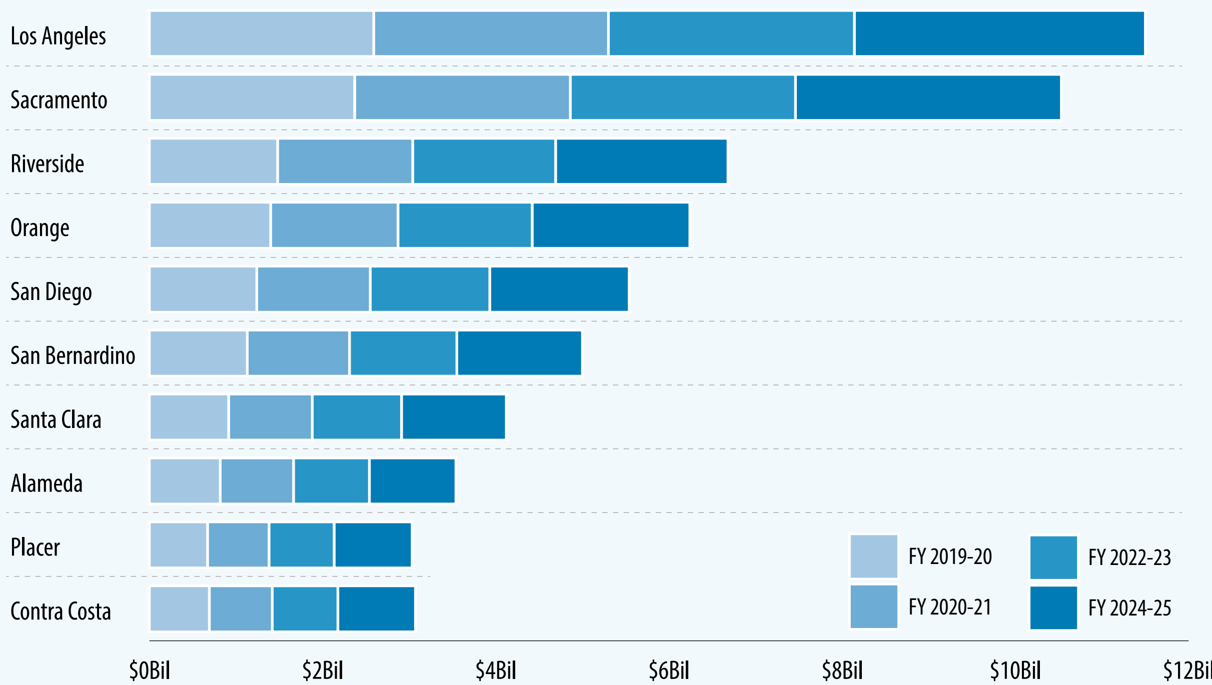
We asked CalPERS members where they think most of their pension dollars will go toward when they eventually retire.

> "Spending will stay the same — car is old, buy a new car
> – D. Cozzard

> "A lot of my spending should be discretionary
> – J. Capen

Los Angeles and Sacramento Counties Continue to Lead in Pension Payments

Top 10 Counties by Pension Payments (FYs 2019–25)*



* *Rankings based on most recent fiscal year, FY 2024-25.*

Top 10* Counties by Pension Payments (FYs 2019–25)

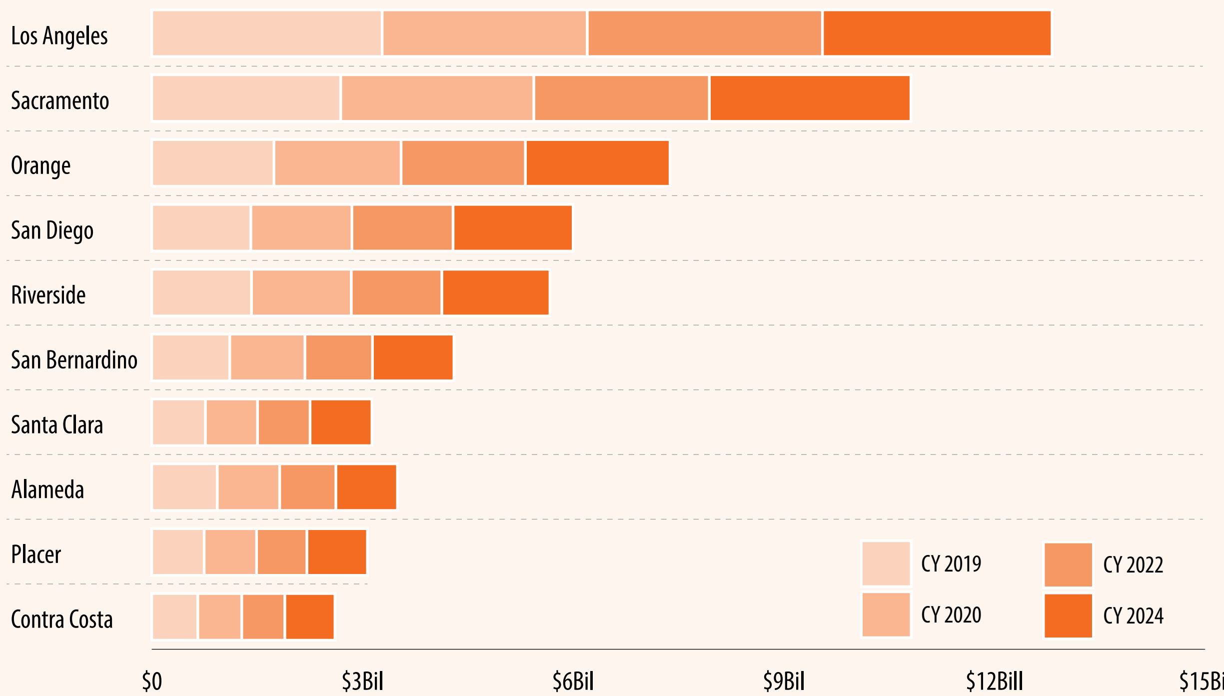
Total CalPERS pension payments received by retirees and beneficiaries living in each county

County	FY 2019-20	FY 2020-21	FY 2022-23	FY 2024-25	Total County Pension Payments (4 FYs)
Los Angeles	$2.59B	$2.71B	$2.84B	$3.36B	$11.50B
Sacramento	$2.37B	$2.49B	$2.60B	$3.07B	$10.53B
Riverside	$1.48B	$1.56B	$1.65B	$1.99B	$6.68B
Orange	$1.40B	$1.47B	$1.55B	$1.82B	$6.24B
San Diego	$1.24B	$1.31B	$1.38B	$1.61B	$5.54B
San Bernardino	$1.13B	$1.18B	$1.24B	$1.45B	$5.00B
Santa Clara	$915.49M	$966.20M	$1.03B	$1.20B	$4.11B
Alameda	$817.69M	$846.27M	$876.48M	$999.13M	$3.54B
Placer	$670.86M	$709.67M	$751.73M	$901.02M	$3.03B
Contra Costa	$692.08M	$726.65M	$756.93M	$896.47M	$3.07B

* *Rankings based on most recent fiscal year, FY 2024-25.*

Los Angeles and Sacramento Counties Continue to Lead in Economic Impact

Top 10 Counties by Economic Impact (CYs 2019–2024)*



* *Rankings based on most recent calendar year, CY 2024.*

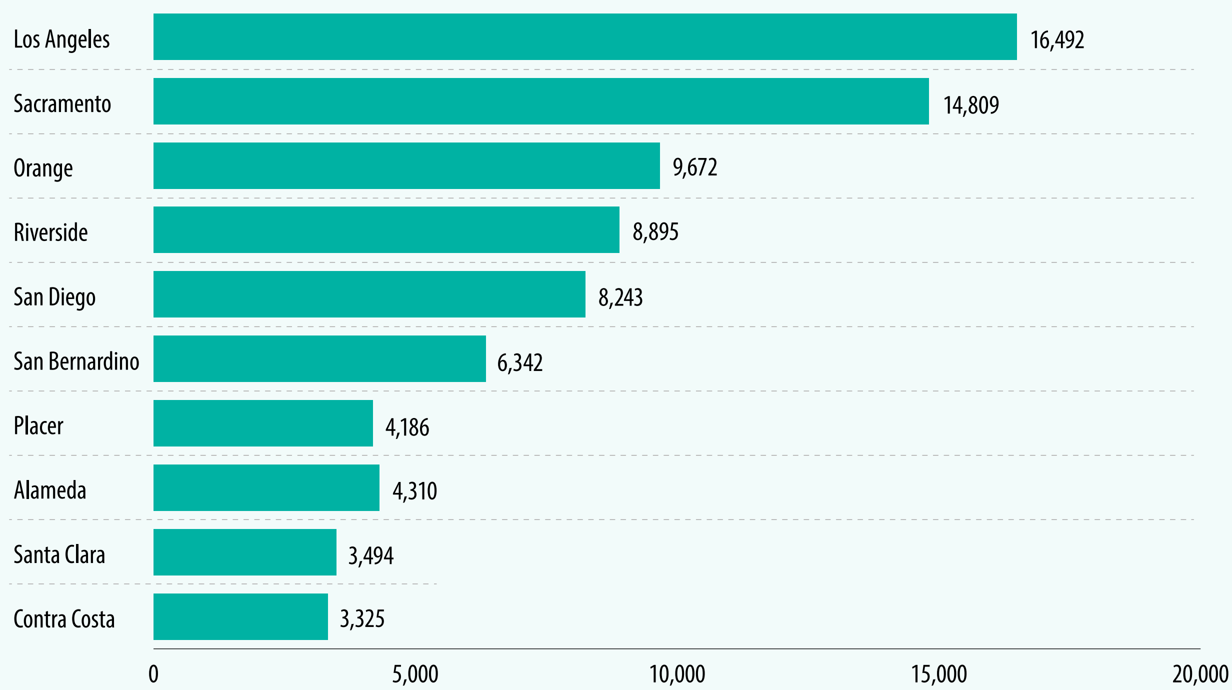
Top 10* Counties by Economic Impact (CYs 2019–2024)

Total economic activity generated by CalPERS retiree and beneficiary spending in each county

County	CY 2019	CY 2020	CY 2022	CY 2024	Total County Economic Impact (4 CYs)
Los Angeles	$3.28B	$2.92B	$3.35B	$3.27B	$12.82B
Sacramento	$2.69B	$2.75B	$2.50B	$2.87B	$10.81B
Orange	$1.74B	$1.81B	$1.77B	$2.06B	$7.38B
San Diego	$1.41B	$1.44B	$1.44B	$1.71B	$6.00B
Riverside	$1.42B	$1.43B	$1.29B	$1.54B	$5.68B
San Bernardino	$1.11B	$1.07B	$963.17M	$1.16B	$4.30B
Santa Clara	$762.98M	$742.67M	$748.51M	$881.52M	$3.14B
Alameda	$932.00M	$889.04M	$800.04M	$878.19M	$3.50B
Placer	$745.83M	$746.80M	$716.44M	$862.72M	$3.07B
Contra Costa	$654.93M	$625.58M	$613.11M	$715.26M	$2.61B

* *Rankings based on most recent calendar year, CY 2024.*

Los Angeles and Sacramento Counties Continue to Lead in Average Jobs Supported
Top 10 Counties by Average Number of Jobs Supported (CYs 2019-2024)*



* *Rankings based on most recent calendar year, CY 2024.*

Top 10* Counties by Jobs Supported (CYs 2019-2024)
Jobs supported by CalPERS retiree and beneficiary spending in each county

County	CY 2019	CY 2020	CY 2022	CY 2024	Average Number of Jobs per County (4CYs)
Los Angeles	17,972	15,978	16,512	15,507	16,492
Sacramento	15,654	15,545	13,261	14,775	14,809
Orange	9,697	9,935	9,067	9,989	9,672
Riverside	9,316	9,204	7,960	9,101	8,895
San Diego	8,256	8,279	7,716	8,719	8,243
San Bernardino	6,890	6,542	5,578	6,359	6,342
Placer	4,311	4,243	3,832	4,359	4,186
Alameda	4,846	4,552	3,816	4,025	4,310
Santa Clara	3,692	3,451	3,198	3,633	3,494
Contra Costa	3,492	3,366	2,996	3,446	3,325

* *Rankings based on most recent calendar year, CY 2024.*

Small Communities and Local Impact

How Retiree and Beneficiary Spending Supports Smaller Communities

Smaller counties often feel retiree and beneficiary spending more strongly than larger ones. In these communities, pension spending makes up a bigger share of the local economy, so each dollar has a noticeable effect on neighborhood businesses, jobs, and public services. To show this, the analysis looks at retiree and beneficiary pensions and the economic impact thereof as a share of each county's Gross Regional Product (GRP),[2] the total value of all goods and services produced in that county.

Key Highlights in Small Communities

- **Rural counties show the highest dependence on retiree and beneficiary spending,** with pension payments representing 3–8% of total local GRP in many regions and the economic impact 2–5% of GRP.
- **Sierra, Lassen, and Del Norte counties exhibit the strongest combined reliance on retiree and beneficiary spending,** where pension payments represent 6–9% of GRP and economic activity contributed roughly 2–4% for Lassen and Del Norte.
- **Amador, Calaveras, and Tuolumne counties how consistently elevated impact,** with pension payments representing 4–6% of GRP and economic impact contributing 2–4% of GRP, reflecting smaller economic bases and strong reliance on pension-driven consumption.
- **El Dorado and Placer counties demonstrate strong economic recirculation,** where retiree and beneficiary spending supports 2–4% of GRP despite diversified regional economies.
- **Even larger counties such as Sacramento show measurable dependence,** reflecting a high concentration of public-sector retirees and beneficiaries with a 2% consistent economic impact across all years.

Real Members. Real Impact.

We asked CalPERS members where they think most of their pension dollars will go toward when they eventually retire.

> "Travel would be one of the top things on the list. Home improvement projects and helping my family — that's where a lot of it will go.
>
> – M. Bonnar

> "I want to spend time with fellow veterans…and contribute to those who don't have as much.
>
> – P. Kenner

> "Housing will probably be a big one — insurance and utilities just keep going up.
>
> – M. Durney

Top 10* Counties by Pension Payments as Percentage of Gross Regional Product (CYs 2019-2024)

How large each county's economy is compared to its CalPERS pension payments, measured as a share of gross regional product (GRP).

County	CY 2019	CY 2020	CY 2022	CY 2024
Sierra	7.77%	8.59%	8.23%	7.25%
Lassen	5.98%	6.41%	6.35%	6.98%
Del Norte	6.06%	6.19%	6.01%	6.21%
Amador	6.01%	6.38%	5.47%	5.56%
Calaveras	5.49%	5.62%	4.54%	4.71%
El Dorado	4.80%	5.26%	4.45%	4.50%
Trinity	4.65%	4.58%	3.61%	4.29%
Tuolumne	4.00%	4.40%	3.83%	3.76%
Siskiyou	3.51%	3.64%	3.52%	3.67%
Mariposa	3.39%	3.73%	3.11%	3.33%

* *Rankings based on most recent calendar year, CY 2024.*

Top 10* Counties by Economic Impact as Percentage of Gross Regional Product (CYs 2019-2024)

How retiree and beneficiary spending contributes to each county's local economy, measured as a share of gross regional product (GRP)

County	CY 2019	CY 2020	CY 2022	CY 2024
Lassen	3.53%	3.59%	3.02%	3.45%
Amador	4.65%	4.86%	3.07%	2.88%
Del Norte	4.16%	4.08%	2.88%	2.86%
El Dorado	3.70%	3.88%	2.73%	2.79%
Placer	2.88%	2.93%	2.24%	2.39%
Tuolumne	3.49%	3.66%	2.37%	2.37%
Shasta	3.37%	3.23%	2.40%	2.28%
Calaveras	3.12%	3.15%	2.22%	2.20%
Sacramento	2.78%	2.86%	2.19%	2.18%
Nevada	2.51%	2.60%	1.84%	2.15%

* *Rankings based on most recent calendar year, CY 2024.*

Data and Methodology

This report analyzes the economic impact of CalPERS retiree and beneficiary pension payment spending using pension payment data from fiscal years 2019–2025 and economic data from calendar years 2019–2024. Because the Economic Impact report is published every two years, economic impact data for 2021 and 2023 is not available. Pension payment data for FY 2021–22 and FY 2023–24 exists but is not included in this analysis. Retiree refers to anyone receiving a regular recurring pension check from CalPERS (retirees, beneficiaries, and survivors).

This study measures the economic impacts of our benefit payments using IMPLAN, an input-output modeling software that measures the regional or local effects given one or multiple changes in economic activity. The study utilizes Household Income Events to model a change in household spending from pension payments, isolated from industry production and payroll. IMPLAN is widely used by governments, universities, and private sector organizations to assess the economic impacts in many industry sectors.

The data used for this study come from two sources: CalPERS retirement data and economic data (some of which is embedded within IMPLAN). Economic data includes sources such as the U.S. Bureau of Economic Analysis, U.S. Department of Agriculture, U.S. Bureau of Labor Statistics, and the U.S. Census Bureau. The retirement data includes annual gross allowances for pension benefit recipients who resided in California from July 1, 2019, through June 30, 2025. The population examined in this study includes California benefit recipients from CalPERS.

To maintain continuity in the multi-year trend analysis, this report incorporates available data for all years, including periods when CalPERS did not publish standalone Economic Impact reports for 2021 and 2023.

Footnotes

1. IMPLAN uses North American Industry Classification System (NAICS) codes for industry and job sector definitions. Job sectors are multiple industries grouped together. For example, industries in the health and social services job sector include hospitals, offices of physicians, residential mental health, substance abuse, and other facilities. More information about IMPLAN is available in the Data and Methodology section. The other services sector consists of these subsectors: repair and maintenance, personal and laundry services, religious, grant making, civic, professional, and similar organizations, and private households.

2. Gross Regional Product (GRP) figures are derived from federal and state datasets, primarily the Bureau of Economic Analysis, National Income and Product Accounts, the Bureau of Labor Statistics, the Quarterly Census of Employment and Wages, and annual industry surveys from the U.S. Census Bureau.